



TELEPHONE: 212-337-3502
FAX: 646-390-1584
EMAIL: MICHAEL@STOLPERGROUP.COM

July 15, 2010

Lee M. Weinberg
Weinberg Gonser LLP
Century Plaza Towers
2029 Century Park East
Suite 900
Los Angeles, CA 90067

Karl Freeberg
Greenberg Traurig, LLP
Suite 700
2375 E. Camelback Road
Phoenix, AZ 85016

Re: The Loan Agreement ("Loan Agreement") dated as of February 23, 2009 between Neptune Company Asset Holdings, LLC and Eufora Capital II, LLC (the "Borrower")

Gentlemen:

I am writing with several purposes.

First and foremost, I want to reiterate my request that your clients proceed with the transaction that I have been proposing for weeks now – insiders, mostly hockey player members of AZ Eufora Partners I LLC ("AZ Eufora") and certain investor members in Eufora LLC ("Eufora") acquiring the Loan Package and warrants from the Lender – rather than your clients continuing with a purported transaction through a group of outsiders. Our objectives, which I first shared with Karl and his client (the Lender) weeks ago, and then subsequently with Tommy Constantine two weeks ago, and most recently on Friday evening during my call with Lee, include having Constantine dilute his controlling membership interest and relinquish day-to-day control of Eufora as part of taking responsibility for the Loan and corresponding issues. My understanding from Constantine two weeks ago and Lee's July 14th letter (which inexplicably was not sent to me) is that Constantine has already agreed to these two material terms so we should be very close to a deal along the lines we are proposing.

To be abundantly clear, we believe that it is NOT in the best interest of Eufora and its members for Constantine to:

- (i) pursue a deal with outsiders to Eufora (Mr. Volpe's group), in secret, with undisclosed terms (see the questions below) rather than execute a deal through Company insiders;
- (ii) refuse to provide us with the requested agreements among the Lender, Mr. Volpe's group and Eufora that you claim have already been signed, and proof that monies have been exchanged; and
- (iii) ignore our requests for Constantine to meet with us to address our very firm evidence of his breach of fiduciary duties and to give him the opportunity to support his allegations against his co-managers of Eufora.

We cannot harmonize how an innocent person, as Constantine claims to be, would avoid engaging in a substantive exchange of information and documentation, as we have repeatedly proposed. Lee, your advice to Constantine to ignore me and the folks that I represent simply because I am a litigator is ill conceived. I'll reiterate what I told you last Friday: based on the overwhelming evidence that we have uncovered against your client, if our sole purpose was to litigate, we not only could have initiated a very solid lawsuit weeks ago but we also would have been able to obtain emergency relief, restraining Constantine, the Lender, Volpe and anyone else from proceeding until the serious issues we uncovered were addressed. The reason we have not proceeded down this path yet, as I have told both of you several times, is because, as a litigator and a professional who has seen this movie before, I believe it is in everyone's best interest to try and resolve the issues before seeking judicial intervention, recognizing that the time to do so is very short.

To the extent that your advice to ignore me turns on your claimed uncertainty as to whom I represent, I have attached a self-explanatory Consent of Members, which authorizes me to act on behalf of AZ Eufora Partners I and each of the _____ signatories (____ members of AZ Eufora and _____ members/investors of Eufora LLC) individually. We anticipate additional signatories over the next few days. As a practical matter all contact with the signatories shall flow through me from this point forward. As you should know, where professionals have been retained to address issues of misappropriation, breach of fiduciary duty, unjust enrichment, loyalty and corporate opportunity, any attempt to resolve such issues, including a proposed transaction that seeks to gloss over past misdeeds, under tight time constraints, can only be done through representation by professionals with the requisite experience (Eric Hatzimemos and me). Constantine's continued attempts to provide misinformation, without any supporting evidence, directly to the members/investors of Eufora, either through phone calls, texts, emails and, most recently, under your firm's letterhead, speaks volumes about his true intentions. Independent of me, most of the individuals I have spoken with are frustrated, angry and/or would rather not speak with Constantine.

That brings me to another point. Lee, in our last conversation on Friday night I had encouraged you to vet what your client was representing to people, particularly in this highly charged and critical period for Eufora. I read your July 14th letter and email of earlier today and do not understand how you can make some of the statements that you did. For example:

- You stated that Constantine "pursued the Plan on behalf of Eufora [since late 2009]." What proof do you have of that? I have a lot of documents, text messages and the words of Constantine's confidants who are now cooperating with us that up until the time Constantine discovered our investigation of him, he had pursued a deal with his friend Nerguzian on behalf of just a handful of people and expressly intended to exclude most of Eufora's investors.
- You stated that besides CR Gentry "no other individual or entity had any control over the Loan." As incredible as that sounds, what support do you have for that contention? Again, I have a volume of emails, documents and the words of those involved in the transaction that contradict your statement.
- You stated that Gentry "without prior approval" "self directed" his own compensation package. What is the basis for this statement? Nothing was done without Constantine's sign-off, including Gentry's compensation, which is also reflected in documents.
- In your email you contend that I have made statements that "simply are not true." Please let me know what statements to which you're referring and the basis for your contention.

With respect to the purported “Plan,” which is effectively what Constantine had told me when I spoke with him two weeks ago, Lee’s July 14th letter raised a number of questions:

- Why did Lee not send the July 14th letter to me?
- Why did Lee not address with Constantine, as I had requested, the possibility of doing a deal with the Lender through insiders? There are a number of investors and members of Eufora who are particularly upset that Constantine pursued a deal outside of the Company, in secrecy, and did not attempt to engage insiders in resolving the Company’s problems. Unquestionably a deal via insiders is financially and otherwise in the best interest of the members of Eufora.
- How much is proposed to be paid to the Lender for the Loan Package and warrants? What are the payment terms and over what period of time are they to be made?
- Who will own the patents at the conclusion of the “Plan”?
- Has any collateral been pledged to Volpe’s group?
- When is the Volpe deal scheduled to close?
- What are the conditions to closing?
- What is the proposed allocation of membership interests in “New Eufora”? If in the July 14th letter you can represent that “nearly” everyone’s membership interest will not be diluted as a result of the Plan, then you certainly should know what everyone’s membership interest will be, and who Constantine is attempting to dilute or eliminate.
- How much membership interest will Constantine retain according to the Plan?
- Lee, have you been able to confirm what I told you, namely, that Constantine owns the largest share of Eufora despite not having invested a single dollar of his own money (exclusive of funds that were sent at Constantine’s request to Constantine Management Group or other Constantine controlled entities intended for the greater good of Eufora; under Constantine’s “house of cards” theory)?
- How is Constantine providing Volpe 12% and the Lender 1% of his membership interest and at the same time providing membership interests to John Kaiser and the individuals who have invested through Kaiser, which Constantine promised Kaiser and others that he would do?
- What is the capitalization value and the basis for valuing Volpe’s proposed \$3 million investment in Eufora at 12%?
- With respect to Volpe, why is he referred to as Dominick and not Santo, the name Constantine used in internal email communications? What is his background and why do you believe that he is a plus to Eufora?
- Lee, you claim to have been “informed” about “very disturbing facts relating to the actions of several investors and managers in the Eufora saga.” We want to address these points as well, not with finger-pointing and conjecture, but real evidence (documents). I invited Constantine to support his allegations but he has yet to provide a single piece of evidence or agree to meet with us.

- || • The only thing Constantine did do was remove the two Eufora Managers who raised and attempted to address red flags around Constantine's actions – CR Gentry and Tim Gaarn. It cannot be viewed favorably that Constantine would remove whistleblowers without notice or dialogue, period.
- How are Don Berman's responsibilities as CEO of public company Cardworks and owner of Merrick Bank conducive to being available to run Eufora day-to-day? What is the value proposition of Mr. Berman as CEO of Eufora?

Lee asked for more specificity on our issues with Constantine. The following are three areas for which Constantine and, to some extent, Brent Nerguzian, will have to account with evidence (I'm sure you'll excuse me if I am not willing to accept only Constantine's word on these issues):

- At the top of our list are Constantine's actions with respect to the Loan Package, its terms, its default and his attempt to resolve the default in secret through outsiders. To reiterate, we have the ability to immediately fund the Company to the same extent (\$3m) as Mr. Volpe's group (as you claim in your letter).
- The \$500k "Financial Advisory Fee" paid to Nerguzian, at Constantine's direction (your attempt to blame CR Gentry defies logic and the documents).
- Constantine using Eufora as his personal ATM machine, with hundreds of thousands in unaccounted for value loads on prepaid cards and hundreds of thousands of his personal bills paid out of Eufora (I mentioned to you that even your bill for recent work on Constantine's unrelated airline business was paid by Eufora).

We need answers to the serious issues we have raised. Obviously one cannot propose a final resolution without first addressing and confirming the liability issues, though I suspect Constantine's offer to dilute his interest (details unspecified) and step down from Eufora's management (again, details unspecified) may go a long way towards resolving the issues. I will continue to extend an olive branch until time and the immediate needs of Eufora no longer permit us to do so. I also do not intend to engage in a further letter writing campaign. The next communication ought to be by phone to arrange an in person meeting. I look forward to speaking with you.

Sincerely,

Michael Stolper

cc: || Eric Hatzimemos
Tim Gaarn
Members of AZ Eufora Partners I LLC
INSERT Other names
CR Gentry